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December 28, 2009

The Honorable Charles L. A. Terreni
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

RE: South Carolina Electric & Gas Company Update of Construction Progress and Request for Updates and Revisions to Schedules Related to the Construction of a Nuclear Base Load Generation Facility at Jenkinsville, South Carolina
Docket No. 2009-293-E

Dear Mr. Terreni:

South Carolina Electric & Gas Company ("SCE&G") has received the Brief of Intervenor Friends of the Earth that was filed with the Public Service Commission of South Carolina ("Commission") on December 16, 2009 in the above-referenced matter. In the brief, Friends of the Earth ("FOE") misstates a number of matters, several of which are addressed below.

1. The proposed adjustments to the milestone schedule do not involve any delay in the overall construction schedule for the Units or in their commercial operations dates

In its brief, FOE implies that the schedule adjustments proposed in this docket represent a potential delay in the overall construction schedule for the Units. As Mr. Byrne testified in the hearing in this docket, the milestones being delayed are those related to the fabrication and receipt of equipment and components that are not required on site as early as previously scheduled. Tr. p. 25, l. 4 – 7. A review of the updated milestone schedule itself shows that the milestones related to the major construction, testing and completion dates for the project are either unchanged or are accelerated. As Mr. Byrne testified: "[t]he updated milestone schedule still supports the substantial completion dates of the Units of April 1, 2016 and January 1, 2019, which are the most important milestones in the project." Tr. pp. 38, l. 15 – 39, l. 14. The uncontradicted testimony in the record establishes that the proposed construction schedule modifications are the result of schedule refinements and integration, that they are not the result of any imprudence, and that they do not result in any delays to the project as a whole. Tr. pp. 25, l. 21 – 26, l. 2; Tr. p. 26, 5 – 17.

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2. The proposed adjustments to the milestone schedule are not in any way related to the DCD 17 Revision

In its brief, FOE seeks to imply that there is some relationship between the schedule modifications proposed in this docket and recent correspondence between Westinghouse Electric Company, LLC ("Westinghouse") and the Nuclear Regulatory Commission ("NRC"). This correspondence is related to the NRC's review of Westinghouse's Design Control Document Revision 17 ("DCD Rev. 17"). The DCD Rev. 17 review resulted from the NRC decision to impose new standards related to the ability of a nuclear shield building to withstand the impact of aircraft. In response to these new standards, Westinghouse submitted a new shield building design that provides interior and exterior steel cladding for the containment vessel. This steel cladding includes studs that anchor the concrete that will be poured between them and so replaces the steel reinforcing bars that would have been placed inside the concrete in the design that was previously approved. Contrary to what is stated or implied in FOE's brief:

- a. The NRC had fully certified Westinghouse's AP1000 design in 2006. Tr. p. 28 – 29; Tr. p. 261, l. 10 – 11. The current review relates to the NRC's decision to seek enhanced safety standards and additional safety reviews related to nuclear units. Tr. p. 64, l. 12 – 15.
- b. The NRC's review of DCD Rev. 17 has no bearing on the schedule modifications proposed in this docket. None of the schedule modifications proposed are the result of or are related to DCD Rev. 17. As indicated above, the schedule modifications either involve acceleration of milestones, or delays related to the fabrication or receipt of equipment or components that are not needed on site as early as anticipated.
- c. As both ORS witness Mr. Crisp and SCE&G witness Mr. Byrne testified, the NRC has communicated to Westinghouse the information that Westinghouse needs to supply to the NRC to demonstrate that the DCD Rev. 17 design meets the NRC requirements regarding aircraft impact. Westinghouse is working with the NRC to provide the necessary supporting information. There is no basis to conclude that DCD Rev. 17 cannot be issued on a schedule that supports completion of the Units as promised, or that any delays in licensing cannot be absorbed by other adjustments in the schedule that could be made at the appropriate time. Tr. pp. 28, l. 19 – 29, l. 16; Tr. p. 283, l. 3 – 18.

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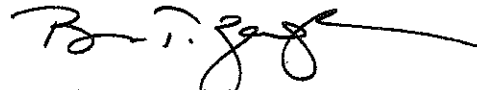
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For these reasons and those set forth in the Proposed Order, SCE&G requests that the Commission grant the relief sought in this docket and approve the construction schedule and capital cost schedule as the new schedules for the Units.

Very truly yours,

A handwritten signature in black ink, appearing to read "B. T. Zeigler", with a long horizontal flourish extending to the right.

Belton T. Zeigler

BTZ/led

cc: Shannon Bowyer Hudson, Esquire
Scott Elliott, Esquire
Robert Guild, Esquire